

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109

**COMMENTS OF THE
PUBLIC UTILITY COMMISSION OF OREGON**

The Public Utility Commission of Oregon (Oregon Commission) appreciates the opportunity to comment on reforms to the Lifeline and Link Up programs proposed in the Notice of Proposed Rulemaking (Notice) released March 4, 2011.

The Oregon Commission commends the FCC for its efforts to address needed changes to the low-income component (Lifeline program) of the federal universal service fund (FUSF). Appendix A describes how we administer the Lifeline program in Oregon.

We offer the following recommendations:

- The FCC should provide ample time for states to make changes to its programs.
- The FCC should allow for state-specific solutions that achieve the same program end.

- Only carriers designated as ETCs should be able to receive Lifeline funding.
- The FCC should require Lifeline providers to include the word “Lifeline” in the title of the services when advertised.
- The FCC should implement requirements that ensure that Lifeline benefits flow through to eligible customers.
- The FCC should require that all provider-specific information be made publicly available.

The FCC should provide ample time for states to make changes to its programs.

The Notice proposes a number of nationwide requirements that will significantly impact Oregon’s program. For example, the FCC proposes to require all states to utilize, at a minimum, the program criteria for customer eligibility currently utilized by federal default states. Oregon is not a federal default state. This proposal will require Oregon to provide three additional qualifying programs to its current program.¹ This will take at least a year to implement. Further, it will take Oregon time to implement the FCC’s proposal to require that all states base eligibility solely on a consumer’s income level (and not on program participation). Oregon’s program bases eligibility on program participation. And changes in income qualification levels (such as the suggested increase from 135% to 150% of federal poverty guidelines) will require changes in Oregon law.

¹ These are the National School Free Lunch Program, Low-income Home Energy Assistance Program (LIHEAP) and Federal Public Housing Assistance.

The FCC should allow for state-specific solutions that achieve the same program end.

The FCC proposes a uniform method for ensuring an applicant's initial and ongoing eligibility for Lifeline benefits. We support FCC efforts to tighten these requirements. However, not all states use the same procedures for certification and verification. We believe that Oregon uses a more effective method for certification that is described in Appendix A. We recommend that the FCC allow the use of alternative methods.

Further, state-specific solutions may prove to be more effective to verify customer eligibility than a national database. It is not clear whether the proposed national database obviates the need for state databases and other state approaches that currently exist. States have implemented the Lifeline program locally for years, and have experience with direct customer contact, customer information and outreach. The FCC should not adopt a national database proposal without more discussion of state and federal roles concerning eligibility and verification procedures.

Only carriers designated as ETCs should be able to receive Lifeline funding.

ETCs providing Lifeline service should be required to meet the same reasonably applicable requirements currently imposed on all ETCs. Designation to receive Lifeline public funds should continue to be granted by the states as required by the Telecommunications Act.

The FCC should require Lifeline providers to include the word “Lifeline” in the title of the services when advertised.

The FCC notes that there are areas of waste stemming from duplicate benefits. It is likely that some duplication occurs because customers do not realize which service offerings are Lifeline offerings due to providers’ special branding efforts of their Lifeline services. For instance, Assurance Wireless and SafeLink Wireless are brand names for Lifeline offerings, but customers may not realize that is the case since the word “Lifeline” is not included in the brand name, or may not be predominantly displayed in advertisements. Therefore, the OPUC recommends that the FCC require Lifeline providers to specifically use the word “Lifeline” in the title of and advertising regarding Lifeline services.

Regarding the use of databases to avoid duplicate benefits, some states already have databases or systems that accomplish the objective of avoiding the occurrence of duplicate benefits. For those states that do not, we support efforts to implement measures to identify and eliminate cases of duplicate benefits.

The FCC should implement requirements that ensure that Lifeline benefits flow through to eligible customers.

We support the FCC proposals that would: (a) prohibit ETCs from receiving support in cases where the eligible customer receives no benefits; (b) eliminate incentives that carriers might have to ignore or fail to report that a customer has discontinued service; (c) provide that ETCs be reimbursed only for the portion of a month in which service was available (started or ended), (such pro-rating should apply to all ETCs); and

(d) de-enroll subscribers as proposed in the Notice and ensure that an ETC does not continue to receive support after the subscriber is de-enrolled, or for any grace period in cases where the subscriber is ultimately de-enrolled.

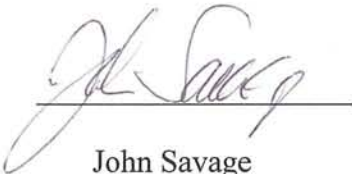
The FCC should require that all provider-specific information be made publicly available.

We support the proposal that all information related to program compliance, including annual verification results, be made publicly available. Such information should be available for each provider receiving support funds.

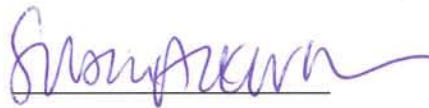
April 21, 2011

Respectfully submitted,

THE PUBLIC UTILITY COMMISSION
OF OREGON

A handwritten signature in black ink, appearing to read "John Savage", written over a horizontal line.

John Savage
Commissioner

A handwritten signature in purple ink, appearing to read "Susan Ackerman", written over a horizontal line.

Susan Ackerman
Commissioner

Appendix A – The Oregon Telephone Assistance Program (OTAP)

The 1987 Oregon Legislature enacted the Residential Service Protection Fund (RSPF) law supporting the state's public policy that all Oregon citizens have access to adequate and affordable telephone service. As a result, the Public Utility Commission of Oregon (Oregon Commission) established and administers the Oregon Telephone Assistance Program (OTAP), the Telecommunication Devices Access Program and the Oregon Telecommunications Relay Service. The RSPF is an Oregon legislatively approved fund in the Oregon State Treasury that funds these three programs by a surcharge assessed on each landline and wireless retail subscriber with access to the telecommunications relay service.

The OTAP is the state corollary of the federal Lifeline program and the program currently provides support to thirty-three Eligible Telecommunications Carriers (ETC) in Oregon, including four wireless carriers, to enable them to offer discounts for an ETC's basic service, whether sold separately or in combination with other services, to low-income residential customers who meet eligibility requirements. The OTAP provides \$3.50 of state-mandated Lifeline support enabling an ETC to obtain \$1.75 in Tier III federal Lifeline support without any carrier contribution. Depending on the subscriber line charge of the incumbent local exchange carrier, the maximum combined support an eligible customer in Oregon can receive is \$13.50 (\$3.50 from the OTAP and \$10.00 of Lifeline support from the Federal Universal Service Fund (FUSF)).

The Federal Communications Commission (FCC) Code of Federal Regulations (C.F.R.) and Oregon Administrative Rules define, delineate and form the basis of the OTAP/Lifeline administrative procedures pertaining to the OTAP/Lifeline application, qualifications, initial certification and verification of continued eligibility. The Oregon Commission has a dedicated team of staff who respond to public inquiries via inbound and outbound phone support in which the Oregon Commission staff explains the program rules, eligibility criteria, the application and program processes, policies, and procedures as well as available benefits.

To qualify for the OTAP/Lifeline benefit in Oregon, an individual must receive benefits from the federal food stamp program or participate in another Oregon Commission approved low-income public assistance program for which eligibility requirements do not exceed 135 percent of the federal poverty level. The Oregon Commission-specific OTAP/Lifeline applications are available to customers by mail, fax, electronic mail or online. Customers must submit to the Oregon Commission a completed application for OTAP/Lifeline benefits and the Oregon Commission must certify each applicant's initial eligibility. The Oregon Commission relies on a centralized and efficient multifaceted database that not only minimizes waste, fraud, and abuse, but protects and safeguards the confidential or personal identifying information (e.g. social security number) of eligible OTAP/Lifeline customers. ETCs do not need nor are they privy to the sensitive nature of their customers' eligibility information. Finally, the Oregon Commission database is

used to track monthly eligibility verification and monitors for duplicates to ensure that customers cannot receive the OTAP/Lifeline discount from two or more different ETCs. The Oregon Commission staff analyzes customer applications, populates or uploads them into the Oregon Commission database and accesses the customer's record in the Department of Human Services database to review and determine if the applicant meets eligibility requirements for the OTAP/Lifeline benefits. The following redacted screen snapshot is an example of what Oregon Commission staff sees when accessing an applicant's record in the Department of Human Services to certify their initial eligibility. The applicant is eligible for the OTAP/Lifeline benefits as delineated by the red arrow that confirms their active participation in the food stamp program identified as "OP" for open and "FS" for food stamps, respectively:

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. CM GOF842 B 2002 WL P2 AC 09/27/2004 N
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F13=Access 1 F14=Access 2 F16=Prsn Updt F17=Prsn List F21=Prsn Merge F22=CASEM
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The Oregon Commission staff reviews these computerized records to ensure consistency and accuracy of information on the application. When a customer's initial eligibility is certified, the Oregon Commission staff approves the application in the Oregon Commission database, which automatically generates an approval letter to be mailed to a customer. A report of all OTAP/Lifeline customers approved by the Oregon Commission staff for the week is generated by the Oregon Commission's Information Systems department and electronically sent to the respective ETC to apply the discount the following week.

Applicants who do not meet eligibility requirements are mailed a denial letter. This would not be feasible without the Oregon Commission's direct access to the customer's

record in the Department of Human Services database. In addition, it would not be possible for the Oregon Commission staff to enforce the FCC's one discount per household¹ requirement without the aid of the Oregon Commission database. These Oregon Commission database alerts reduce the occurrence for ETCs claiming support from the FUSF and RSPF for ineligible customers.

The Oregon Commission staff mails a duplicate letter to applicants who applied for the OTAP/Lifeline discount, but the Oregon Commission database identified as already receiving the OTAP/Lifeline with another ETC. The duplicate letter provides an opportunity for the applicant to contact the Oregon Commission if they wish to discontinue the OTAP/Lifeline discounts with one ETC and receive it with another ETC. When a customer elects the latter, the Oregon Commission staff notifies the original ETC to remove the OTAP/Lifeline discount while contacting the other ETC to apply the OTAP/Lifeline discount to the customer's account or service. This feature of the Oregon Commission database minimizes the risk of duplicate reimbursement claims to the RSPF and FUSF from ETCs.

To ensure that disbursements from both the FUSF and RSPF are documented, justifiable and in compliance with rules established by the FCC and the Oregon Commission, the Oregon Commission staff analyzes and reviews the current ninety-nine reports submitted by ETCs (on a monthly or quarterly basis depending on the number of Lifeline customers it has). ETCs are required to submit to the Oregon Commission three reports:

1. **No Match Report** – This report is used to identify customers that the Oregon Commission has determined are eligible for the OTAP/Lifeline benefit, but that the ETC believes are not eligible for the discount. The Oregon Commission staff notifies each such customer and presents an opportunity for the customer to rectify the discrepancy in order to receive the OTAP/Lifeline discount.
2. **Order Activity Report** – The Oregon Commission staff uses this report to update records in the Oregon Commission database and to maintain the integrity of data. Customers whose service with the ETC was disconnected are de-enrolled and records are updated for a customer's new address or phone number. This report is essential in enforcing the FCC's one discount per household rule.
3. **Active OTAP/Lifeline Customer Report** – The Oregon Commission staff compares the ETC's Active OTAP/Lifeline Customer Report with the records in the Commission database to verify that the ETC enrolled only the Oregon Commission-approved customers in the OTAP/Lifeline. Also, the Oregon Commission staff uses the Active OTAP/Lifeline Customer Report to confirm that ETCs do not enroll an ineligible customer in the OTAP/Lifeline program.

¹ See 1997 *Universal Service Order*, 12 FCC Rcd at 8957, para. 341.

The Oregon Commission verifies all customers' eligibility for the OTAP/Lifeline discount on a monthly basis using a secure automated electronic data interface. Each month, the Oregon Commission database interacts with the Department of Human Services database to automatically identify customers who are no longer receiving the benefits that render them eligible for the OTAP/Lifeline discount. Upon completion of the electronic data interface, the Oregon Commission database automatically generates termination letters that are mailed to customers notifying them of their impending loss of OTAP/Lifeline discounts. The termination letter explains to the customer that the Oregon Commission will instruct their ETC to discontinue or remove the OTAP/Lifeline discount from their account or service the following month via an electronic report. The customer can avoid the termination of their OTAP/Lifeline discounts if they contact and inform the Oregon Commission that they are once again receiving the benefits that qualify them for the OTAP/Lifeline discount.

The Oregon Commission's comprehensive role, commitment and partnership with the FCC is fundamental in ensuring the continuing integrity and stewardship of its joint Lifeline programs that serve to protect not only eligible low-income customers, but the interests of all telecommunications customers who contribute to the FUSF.